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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/118

15 August 1960

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events*
29 July - 11 August 1960

A high-level Yemeni delegation, which left for Peiping on 3 August to discuss further Chinese Communist economic assistance, reportedly will explore a Chinese offer to mint \$10 million worth of silver coins. En route, the mission will deliver a message to Khrushchev expressing the Imam's desire to strengthen economic relations with the USSR.

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[REDACTED]

Soviet geologists are now conducting iron-ore and copper explorations in Eritrea under the terms of the March protocol to the \$100 million credit agreement with Ethiopia. Pressing for further implementation of the accord, the USSR has proposed a 4-year program that would ultimately bring 300 Soviet technicians to Ethiopia. In addition, the USSR reportedly has offered to supply Tu-104 jet aircraft to Ethiopia Air Lines, also under the terms of the \$100 million Soviet credit of July 1959.

In response to a request for aid made by the Burmese on 18 May, the USSR has offered the services of six Soviet specialists and two interpreters to study the development of the Chindwin River (a major waterway in north-central Burma) and three Soviet specialists and one interpreter to advise on construction of a fertilizer plant.

India reportedly favors the purchase of Soviet Mi-4 light transport helicopters.

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[REDACTED] final decision will be made in September.

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In late June, five East German technicians arrived in Porto Alegre, Brazil, to consult with the state government of Rio Grande do Sul concerning plans for a new telephone system. The arrival of these technicians suggests that the Brazilians may be seriously considering the use of East German assistance in this vital communications area.

* An unclassified table summarizing Bloc credits and grants extended to underdeveloped countries as of 30 June 1960 is included in this issue on p. 6.

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On 21 July a specially chartered Cuban airliner left Havana for Prague with 65 passengers, most of whom reportedly were Cuban air and artillery cadets bound for military training in the Bloc.

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